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CIA BY FRANK T. CSONGOS WASHINGTON

THE CIA, IN A HIGHLY UNUSUAL STATEMENT, DEMANDED WEDNESDAY THAT ABC NEWS RETRACT A STORY IN WHICH A MAN CLAIMED THE CIA TRIED TO RECRUIT HIM TO KILL A BUSINESSMAN WHO ONCE FRONTED FOR THE AGENCY IN SENSITIVE WEAPONS DEALS.

THE CIA, WHICH REARELY ISSUES DETAILED PUBLIC STATEMENTS OR RESPONDS TO ALLEGATIONS OTHER THAN WITH A "NO COMMENT" CALLED THE REPORT AN "EXAMPLE OF IRRESPONSIBLE JOURNAL-ISM" AND DEMANDED A RETRACTION.

ABC NEWS SAID IT STANDS BY THE STORY.

THE REPORT, WHICH RAN ON ABC'S WORLD NEWS TONIGHT SEPT, 19 AND 20, FOCUSED ON RONALD REWALD, A HONOLULU BUSINESSMAN JAILED ON CHARGES OF SWINDLING 400 INVESTORS OUT OF \$22 MILLION.

REWALD SAID HE WAS A CIA AGENT AND THAT HIS NOW-BANKRUPT FIRM WAS A FRONT FOR THE AGENCY. ABC SAID THE COMPANY HAD BEEN USED BY THE CIA TO CONDUCT SENSITIVE INTELLIGENCE OPERATIONS AND MAKE SECRET SHIPMENTS OF WEAPONS TO FOREIGN COUNTRIES SUCH AS SYRIA, INDIA AND TAIWAN.

REWALD TOLD ABC HE CAME TO BELIEVE THE CIA WAS TRYING TO KILL HIM.

ANOTHER PERSON INTERVIEWED BY THE NETWORK, SCOTT BARNES, ALLEGED THE CIA HAD ASKED HIM TO "TAKE HIM (REWALD) OUT... YOU KNOW, KILL HIM."

ASKED WHY THE CIA WANTED REWALD KILLED, BARNES TOLD THE NETWORK: "HE OBVIOUSLY KNEW SOME THINGS IN REGARDS TO NATIONAL SECURITY AND HE WAS NO LONGER AN ASSET. HE WAS NOW A LIABILITY" WHO HAD TO BE SILENCED.

BARNES SAID HE GOT A JOB AS A GUARD FOR ONE MONTH AT THE SAME PRISON WHERE REWALD WAS HELD, AND THAT LATER HE QUIT THE ASSIGNMENT WITHOUT CARRYING IT OUT AND LEFT HAWAII.

THE CIA, IN A STATEMENT TELEPHONED TO REPORTERS FROM ITS SUPERSECRET HEADQUARTERS IN SUBURBAN LANGLEY, VA., SAID, "THE ALLEGATIONS ARE TOTALLY FALSE AND ARE INSULTING NOT ONLY TO THE CIA BUT TO THE U.S. SYSTEM OF JUSTICE THAT HAS BEEN EXAMINING THE CASE.

"AS ABC KNOWS, THE CIA ALONG WITH THE REST OF THE U.S. GOVERNMENT IS PROHIBITED BY LAW FROM ENGAGING IN OR CONTEMPLATING ASSASSINATION. ABC SHOULD MAKE WHATEVER EVIDENCE IT HAS AVAILABLE TO THE JUSTICE DEPARTMENT."

THE CIA HAD REQUESTED ABE TO RUN THE AGENCY'S RESPONSE TO THE SERIES, BUT SAID THE NETWORK DECLINED TO USE THE FULL STATEMENT.

A SPOKESMAN FOR ABC SAID THE NETWORK HAD OFFERED TO AIR A PORTION OF THE STATEMENT WHICH WAS REFLECTIVE OF THE CIA'S STAND -- BUT THAT IT NEVER HAD RECEIVED CLEARANCE FROM THE CIA TO GO AHEAD WITH THE STATEMENT.

"WE REGRET THAT ABC HAS CHOSEN TO AIR A SERIES OF REPORTS WRONGLY ACCUSING THE CIA OF ENGAGING IN AN ATTEMPTED ASSASSINATION AND OTHER IMPROPER PRACTICES," THE CIA SAID.